

SERFF Tracking Number: AMGN-126045131 State: Arkansas  
 Filing Company: American General Life and Accident Insurance Company State Tracking Number: 41629  
 Company Tracking Number: LC 718 7-1-70, ETAL  
 TOI: H07I Individual Health - Specified Disease - Limited Benefit Sub-TOI: H07I.002A Dread Disease - Cancer Only  
 Product Name: Premium Rate Increase for LC 718 7-1-70 et al  
 Project Name/Number: Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al

## Filing at a Glance

Company: American General Life and Accident Insurance Company  
 Product Name: Premium Rate Increase for LC 718 7-1-70 et al SERFF Tr Num: AMGN-126045131 State: ArkansasLH  
 TOI: H07I Individual Health - Specified Disease - Limited Benefit SERFF Status: Closed State Tr Num: 41629  
 Sub-TOI: H07I.002A Dread Disease - Cancer Only Co Tr Num: LC 718 7-1-70, ETAL State Status: Waiting Industry Response  
 Filing Type: Rate Co Status: Reviewer(s): Rosalind Minor  
 Author: Marilyn Ellis Disposition Date: 04/06/2009  
 Date Submitted: 02/23/2009 Disposition Status: Approved-Closed  
 Implementation Date Requested: On Approval Implementation Date:  
 State Filing Description:

## General Information

Project Name: Premium Rate Increase for LC 718 7-1-70 et al Status of Filing in Domicile: Pending  
 Project Number: LC 718 7-1-70 et al Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Individual  
 Submission Type: New Submission Group Market Size:  
 Overall Rate Impact: Group Market Type:  
 Filing Status Changed: 04/06/2009 Explanation for Other Group Market Type:  
 State Status Changed: 03/20/2009  
 Deemer Date: Corresponding Filing Tracking Number: LC 718 7-1-70 et al  
 Filing Description:  
 100% Premium Rate Increase for Family Cancer Medical Expense Plans  
 Policy Form LC 718 7-1-70 and LC 718 Rev 6-1-76

*SERFF Tracking Number:*      *AMGN-126045131*      *State:*      *Arkansas*  
*Filing Company:*      *American General Life and Accident Insurance Company*      *State Tracking Number:*      *41629*  
*Company Tracking Number:*      *LC 718 7-1-70, ETAL*  
*TOI:*      *H071 Individual Health - Specified Disease - Limited Benefit*      *Sub-TOI:*      *H071.002A Dread Disease - Cancer Only*  
*Product Name:*      *Premium Rate Increase for LC 718 7-1-70 et al*  
*Project Name/Number:*      *Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al*

**50% Premium Rate Increase for Family Cancer Medical Expense Plans  
Policy Form LC 718 12/78 and LC 718 7/81-S**

A revised schedule of premium rates and supporting actuarial memorandum for the above referenced policy forms is enclosed.

Form LC 718 7-1-70 was issued by Life and Casualty insurance Company of Tennessee starting in 1970. It was replaced by LC 718 Rev. 6-1-76, which was sold until 1980. Life and Casualty Insurance Company of Tennessee was merged with Gulf Life Insurance Company at year-end 1991. Gulf Life was merged with American General Life and Accident Insurance Company at year-end 1995. As explained in the enclosed actuarial memorandum, the experience was combined for both forms for this filing. There were 163 policies of form LC 718 7-1-70 and LC 718 Rev 6-1-76 in force as of 12/31/08. We are requesting a 100% rate increase on these forms.

Form LC 718 12/78 was issued by Life and Casualty Insurance Company of Tennessee beginning in 1979 and was subsequently replaced with the simplified language version, form LC 718 7/81-S. Life and Casualty Insurance Company of Tennessee has since merged with American General Life and Accident Insurance Company as described above. Therefore, experience was combined for both forms for this filing. There were 166 policies of forms LC 718 12/78 and LC 718 7/81-S in force as of 12/31/08. We are requesting a 50% rate increase on these forms.

Appendices A and B exhibit the combined experience of the referenced forms. The experience is from inception. Experience for Forms LC 718 7-1-70 and LC 718 Rev. 6-1-76 has been extremely poor, and therefore the rate increase request for these forms (100%) is higher than for forms LC 718 12/78 and LC 718 7/81-S (50%). Also, please note that as can be seen in the attached premium rate sheets, the current premiums for forms LC 718 7-1-70 and LC 718 Rev 6-1-76 are much lower than for forms LC 718 12/78 and LC 718 7/81-S.

## **Company and Contact**

SERFF Tracking Number: AMGN-126045131 State: Arkansas

Filing Company: American General Life and Accident Insurance State Tracking Number: 41629  
Company

Company Tracking Number: LC 718 7-1-70, ETAL

TOI: H071 Individual Health - Specified Disease - Sub-TOI: H071.002A Dread Disease - Cancer Only  
Limited Benefit

Product Name: Premium Rate Increase for LC 718 7-1-70 et al

Project Name/Number: Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al

### Filing Contact Information

Kathryn Mitchell, Manager kathryn\_mitchell@aigag.com  
American General Center (615) 749-1139 [Phone]  
Nashville, TN 37250-0001 (615) 749-2521[FAX]

### Filing Company Information

American General Life and Accident Insurance CoCode: 66672 State of Domicile: Tennessee  
Company

American General Center Group Code: 12 Company Type:  
Nashville, TN 37250-0001 Group Name: AIG State ID Number:  
(615) 749-1139 ext. [Phone] FEIN Number: 62-0306330  
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### Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: 1 rate filing X \$50 = \$50.00  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American General Life and Accident Insurance Company	\$50.00	02/23/2009	25879589

SERFF Tracking Number: AMGN-126045131 State: Arkansas

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Limited Benefit

Product Name: Premium Rate Increase for LC 718 7-1-70 et al

Project Name/Number: Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	04/06/2009	04/06/2009

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	03/27/2009	03/27/2009	Marilyn Ellis	04/02/2009	04/02/2009
Pending Industry Response	Rosalind Minor	03/20/2009	03/20/2009	Marilyn Ellis	03/23/2009	03/23/2009

SERFF Tracking Number: AMGN-126045131 State: Arkansas  
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## Disposition

Disposition Date: 04/06/2009

Implementation Date:

Status: Approved-Closed

Comment:

We have approved a 25% level rate increase on this submission. The approval is subject to the following conditions:

1. Rate increases will not be given prior to the first annual anniversary date of any policy.
2. After the first annual anniversary date of any policy, increases will not be given more frequently than once in a twelve (12) month period.
3. All increases in rates, other than a change in age or an individual moving to another geographical area, must be submitted to our Department for approval.

Rate data does NOT apply to filing.

SERFF Tracking Number: AMGN-126045131 State: Arkansas

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Company Tracking Number: LC 718 7-1-70, ETAL

TOI: H071 Individual Health - Specified Disease - Limited Benefit Sub-TOI: H071.002A Dread Disease - Cancer Only

Product Name: Premium Rate Increase for LC 718 7-1-70 et al

Project Name/Number: Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al

Item Type	Item Name	Item Status	Public Access
Supporting Document (revised)	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Health - Actuarial Justification	Replaced	No
Supporting Document	AR Serff Information	Approved-Closed	Yes
Supporting Document	2008 CancerGRExperience Exhibit, Apdx A&B	Approved-Closed	No
Supporting Document	Minor Letter	Approved-Closed	Yes
Rate (revised)	100% Premium Rate Increase for Family Cancer Medical Expense Plans	Approved-Closed	No
Rate (revised)	50% Premium Rate Increase for Family Cancer Medical Expense Plans	Approved-Closed	No
Rate	100% Premium Rate Increase for Family Cancer Medical Expense Plans	Replaced	No
Rate	50% Premium Rate Increase for Family Cancer Medical Expense Plans	Replaced	No

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Project Name/Number: Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 03/27/2009  
Submitted Date 03/27/2009

Respond By Date

Dear Kathryn Mitchell,

This will acknowledge receipt of the captioned filing.

Objection 1

- Minor Letter (Supporting Document)

Comment:

Thank you for your comments in your letter with respect to the rate increase on this submission.

After reviewing your comments and discussing them with Mr. Dan Honey, Deputy Commissioner, Life and Health Division, our Department will approve no more than a 25% rate increase on each of the blocks of business based on the facts that the policyholders have continually received rate increases since 2004, the impact that a large percentage increase would have on the policyholder and the fact that the Arkansas experience is not credible.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 04/02/2009  
Submitted Date 04/02/2009

Dear Rosalind Minor,

**Comments:**

SERFF Tracking Number: AMGN-126045131 State: Arkansas

Filing Company: American General Life and Accident Insurance Company State Tracking Number: 41629

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Project Name/Number: Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al

Thank you for your continued review of this filing.

## Response 1

Comments: We are pleased to accept your offer of a 25% rate increase on each of the blocks of business being submitted. Revised rate sheets and actuarial memorandum are attached.

## Related Objection 1

Applies To:

- Minor Letter (Supporting Document)

Comment:

Thank you for your comments in your letter with respect to the rate increase on this submission.

After reviewing your comments and discussing them with Mr. Dan Honey, Deputy Commissioner, Life and Health Division, our Department will approve no more than a 25% rate increase on each of the blocks of business based on the facts that the policyholders have continually received rate increases since 2004, the impact that a large percentage increase would have on the policyholder and the fact that the Arkansas experience is not credible.

## Changed Items:

### Supporting Document Schedule Item Changes

Satisfied -Name: Health - Actuarial Justification

Comment:

No Form Schedule items changed.

### Rate/Rule Schedule Item Changes

Document Name:	Affected Form Numbers:	Rate Action:	Rate Action Information:	Attach Document:
100% Premium	LC 718 7-1-70 and LC 718	New	Previous State Filing Number	
Rate Increase for	Rev 6-1-76			
Family Cancer				
Medical Expense				
Plans				



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Project Name/Number: Premium Rate Increase for LC 718 7-1-70 et al /LC 718 7-1-70 et al

Percent Rate Change Request  
0

**Previous Version**

100% Premium LC 718 7-1-70 and LC 718 New  
Rate Increase for Rev 6-1-76  
Family Cancer  
Medical Expense  
Plans

Previous State Filing Number

Percent Rate Change Request  
0

50% Premium LC 718 12/78 and LC 718 New  
Rate Increase for 7/81-S  
Family Cancer  
Medical Expense  
Plans

Previous State Filing Number

Percent Rate Change Request  
0

**Previous Version**

50% Premium LC 718 12/78 and LC 718 New  
Rate Increase for 7/81-S  
Family Cancer  
Medical Expense  
Plans

Previous State Filing Number

Percent Rate Change Request  
0

If I may be of further assistance, please let me know.

Sincerely,  
Marilyn Ellis

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 03/20/2009  
Submitted Date 03/20/2009  
Respond By Date  
Dear Kathryn Mitchell,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment: It is requested that you provide us with information as to whether these increases have been filed in the surrounding states, and if so, what were the percentage of increase approved.

Based on the fact the policyholders have continually received rate increase since 2004 and the impact that the 100% & 50% rate increase request would have on the insureds, our Department would consider a 25% rate increase on both blocks.

If you accept the 25% rate increase, please provide us with an amended actuarial memorandum along with the adjusted rates.

Thank you for your understanding and cooperation in this matter.

Please feel free to contact me if you have questions.

Sincerely,  
Rosalind Minor

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/23/2009  
Submitted Date 03/23/2009

Dear Rosalind Minor,

SERFF Tracking Number: AMGN-126045131 State: Arkansas  
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**Comments:**

Thank you for your timely review.

**Response 1**

Comments: Attached please find a letter from our Actuary, Ben Neelley responding to the concerns in your 3/20/09 objection letter.

**Related Objection 1**

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

It is requested that you provide us with information as to whether these increases have been filed in the surrounding states, and if so, what were the percentage of increase approved.

Based on the fact the policyholders have continually received rate increase since 2004 and the impact that the 100% & 50% rate increase request would have on the insureds, our Department would consider a 25% rate increase on both blocks.

If you accept the 25% rate increase, please provide us with an amended actuarial memorandum along with the adjusted rates.

Thank you for your understanding and cooperation in this matter.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Minor Letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for your consideration.

Sincerely,  
Marilyn Ellis

SERFF Tracking Number: AMGN-126045131 State: Arkansas  
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## Supporting Document Schedules

**Satisfied -Name:** AR Serff Information **Review Status:** Approved-Closed 04/06/2009  
**Comments:**  
**Attachment:**  
AR SERFF information\_2009.pdf

**Satisfied -Name:** Minor Letter **Review Status:** Approved-Closed 04/06/2009  
**Comments:**  
**Attachment:**  
MinorLetter.pdf

2007			
	LGLC	SMLC	
ave prem	1847.08	163.53	
policyholders	217	192	
granted	25%	50%	
2008			
	LGLC	SMLC	
ave prem	2249.97	208.36	
policyholders	166	163	
request	50%	100%	

		Data				
group	YEAR	Sum of COLL_PREM	Sum of POLICY_CT	Sum of ANNZ_PREM	Sum of DUE_1ST	Sum of DUE_RENEW
LgL&Ccan	2000	0	778	553,421	0	22,801
	2001	-505,467	626	543,025	0	29,670
	2002	-523,181	510	526,801	0	15,583
	2003	-478,098	449	472,039	0	13,324
	2004	-466,551	400	485,962	0	16,815
	2005	-454,663	332	470,030	0	22,821
	2006	-453,869	267	449,438	0	19,949
	2007	-420,064	217	431,137	0	17,864
	2008	-387,315	166	401,079	0	12,104
LgL&Ccan Sum		-3,689,207	3,745	4,332,933	0	170,931
SmL&Ccan	2000	0	415	13,862	0	423
	2001	-12,861	377	13,808	0	662
	2002	-20,609	344	23,012	0	533
	2003	-25,917	300	27,876	0	738
	2004	-28,566	276	29,444	0	806
	2005	-29,088	247	30,121	0	889
	2006	-31,985	226	33,525	0	1,246
	2007	-31,462	192	33,070	0	835
	2008	-35,049	163	35,763	0	646
SmL&Ccan Sum		-215,538	2,540	240,480	0	6,778
Grand Total		-3,904,746	6,285	4,573,413	0	177,709

512,336		
509,094		
475,838		
470,041		
460,670		
450,997		
417,979		
381,555	50%	572,333
13,100		
20,481		
26,122		
28,634		
29,172		
32,341		
31,052		
34,860	100%	69,720
416,415		642,052

225,637 "Written Premium Change for this Program" in SERF

March 23, 2009

SERFF tracking number AMGN-126045131

Ms. Minor,

Thank you for your timely review of our rate increase filing. Below please find answers in regard to the SERFF objection letter dated March 20, 2009.

Rate increases for forms LC 718 7-1-70, Rev. 6-1-76 (Smaller premium block) in the states surrounding Arkansas are as follows:

Louisiana	100%; Approved
Missouri	100%; Approved
Mississippi	25% filed (due to regulatory constraints). Have not received response.
Oklahoma	100%; Approved.
Tennessee	100% filed. Have not received response.
Texas	100% filed. Have not received response.

Rate increases for forms LC 718 12/78, LC 718 7/81-S (Larger premium block) in the states surrounding Arkansas are as follows:

Louisiana	50%; Approved
Missouri	50%; Approved
Mississippi	25% filed (due to regulatory constraints). Have not received response.
Oklahoma	50%; Approved.
Tennessee	50% filed. Have not received response.
Texas	50% filed. Have not received response.

We requested a larger increase on the smaller premium block because the loss ratio on this block is much higher than for the larger premium block. I acknowledge that rate increase percentages were identical on these blocks for many years, but beginning in 2008 we began a concerted effort to adjust premiums on these blocks in a manner that reflects experience, and to try to bring the two blocks closer to parity.

An increase in any amount larger than 25%, particularly on the smaller premium block, would be appreciated.

Thank you for your consideration. Please let us know the rate increase percentages that are acceptable for these two blocks of business.



Ben Neelley  
Assistant Actuary  
American General Life and Accident Ins. Co.  
(615) 749-1683

